

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Andhra Pradesh Beverages Corporation Limited- Reduction of paid-up share capital from Rs. 8,33,37,000/- to Rs. 23,37,000/- in Andhra Pradesh Beverages Corporation Limited and return the share capital amount to the Govt. against the surrender of shares- Administrative clearance Orders - Issued.

REVENUE (Ex. II) DEPARTMENT

G.O. Ms.No. 500

Dated: 03.08.2012
Read the following:

1. From the Managing Director, Andhra Pradesh Beverages Corporation Limited, Lr. No. APBCL/Accts/2011-12 dated: 26.07.2011.
2. From the Managing Director, Andhra Pradesh Beverages Corporation Limited, Lr. No. APBCL/Accts/2011-12 dated: 19.09.2011

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ORDER:

In the reference 1st read above, the Managing Director, Andhra Pradesh Beverages Corporation Limited has stated that APBCL, which is wholly owned by the Govt. of Andhra Pradesh, was incorporated on 23.07.1986 as private limited company under the provisions of the Companies Act 1956 with an authorized capital of Rs.2.00 Crores. Subsequently, considering the total investment that had gone into the various assets required for arrack packing operations of the company, it was felt necessary to increase the authorized capital of the Company to Rs.10.00 Crores. The Board, in its 12th meeting held on 8-12-1987 considered the proposal and approved for convening an Extra-ordinary General Meeting of share holders to consider the said proposal. In the extra-ordinary general meeting held on 4-1-1988, it was resolved to increase the authorized share capital from Rs.2.00 Crores to Rs.10.00 Crores and accordingly to amend the clause-V of Memorandum of Association. The paid up share capital of the company as on date is Rs.8,33,37,000/-. The operations of the company of arrack packing came to stand still with the introduction of prohibition on sale of arrack with effect from 01.10.1993. However, wholesale trade of IML and beer was taken up by the Corporation with effect from 01-1-1994.

2. He has further stated that consequent to the takeover of wholesale trade in the IML and Beer by the Corporation with effect from 1-1-1994, it was observed that the Corporation does not require such a high share capital, as the Corporation is performing the role of an agent of the Government while discharging wholesale trading activity at present. The Corporation procures stocks of liquor from various suppliers of IML and Beer and releases payment only after sale of stocks. The Corporation does not take any liability on the unsold stocks and the funds of the Corporation are not utilized for the business operations and thereby the excess capital of the company is lying idle, which otherwise could have been deployed by the State Government, the sole shareholder of the Company.

3. The Managing Director, Andhra Pradesh Beverages Corporation Limited, has stated that the Standing Cabinet Sub-Committee on sick industries/Public Sector Undertakings reviewed the working of the Corporation on 29-09-1997 and suggested the Committee on Restructuring of Public Enterprises to study certain aspects such as manpower planning, reduction of share capital, finalization of accounts etc. The Committee on Restructuring of Public Enterprises had detailed discussions on 25-10-1997 and made several suggestions for improving the performance of the Corporation and one of such

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suggestions was that the share capital of the Corporation be reduced to Rs.50.00 lakhs, as there is no need for a large block of share capital for the present operations. In response to the recommendations of the Committee, the Board of the Corporation approved the proposal for reduction of share capital in its meeting held on 24-9-2009. Since, the Accounts of the Corporation were audited up to date audited and approved in the Annual general meeting of the Corporation held on 22-12-2010, the Board has proposed to give effect to the decision for reduction of paid up share capital of the Corporation from Rs.8,33,37,000/- to Rs.23,37,000/- and the capital so reduced be returned to the State Government against the surrender of shares. The proposal was approved by the Board in its meeting held on 4-7-2011 and was also approved by the share holders in the extra-ordinary general meeting held on 15.07.2011 as required under section -100 of the Companies Act.

4. The Managing Director, Andhra Pradesh Beverages Corporation Limited has further informed, that the Accountant General, Andhra Pradesh, Hyderabad has pointed out during the audit of annual accounts for the year 2009-10, on making of a fresh application to the Comptroller of Capital Issues and to the Registrar of Companies notwithstanding the 154th Board resolution dt. 24-9-2009 to reduce the paid up share capital. The Corporation has assured the Accountant General, Andhra Pradesh, Hyderabad that necessary disclosure will be made in the next years accounts. As such, it is necessary to file an application to Registrar of Companies for which Government consent is necessary.

5. The Managing Director, Andhra Pradesh Beverages Corporation Limited, has stated that as the Corporation is a State Government company, it requires Administrative Clearance from the Government and requested the Government to approve the proposal for reduction of paid up share capital and return the same to the Government against the surrender of shares.

6. The Government, after careful examination of the matter, hereby approve the proposal to reduce the paid-up share capital of the Andhra Pradesh Beverages Corporation Limited from Rs. 8,33,37,000/- to Rs.23,37,000/- and return the said share capital amount to the Government against the surrender of shares.

7. The Managing Director, Andhra Pradesh Beverages Corporation Limited, Hyderabad, shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ASUTOSH MISHRA
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Managing Director,
Andhra Pradesh Beverages Corporation Limited

Copy to:
The Commissioner of Prohibition & Excise,
Andhra Pradesh, Hyderabad.
The P.S to Prl. Secretary to C.M.
The P.S. to Minister for Prohibition and Excise
The P.S. to Prl. Secretary to Government Revenue Department.
The Public Enterprises(III) Dept.,
The Accountant General, Andhra Pradesh, Hyderabad
Stock File /Spare.

//FORWARDED:::BY ORDER//

SECTION OFFICER